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VIA ECF AND FEDERAL EXPRESS

The Honorable Paul G. Gardephe
United States District Judge for the Southern District of New York
Thurgood Marshall
United States Courthouse
40 Foley Square
New York, NY 10007

**Re: Wesco Insurance Company and Technology Insurance Company, Inc.
v. Personnel Staffing Group, LLC; Civil Action No.: 18-civ-03771 (PGG)
Joint Status Letter Regarding Settlement and Case Management Plan**

Dear Judge Gardephe:

In accordance with the Court's October 2, 2018 Order, the parties submit this joint status letter.

In their complaint, Wesco Insurance Company and Technology Insurance Company, Inc. (collectively, the "Plaintiffs") assert claims for breach of contract relating to Personnel Staffing Group, LLC's ("PSG") alleged failure to permit an audit and to pay final premium due on two workers' compensation and employers' liability insurance policies.

We appeared before the Court on August 23, 2018 for an Initial Pretrial Conference. The parties advised the Court that they were engaged in discussions to resolve issues relating to the specific payroll information sought by Plaintiffs which would be necessary to perform the audit. The Court entered a stay of action in order to permit the parties to continue settlement discussions and directed the parties to report back by September 24, 2018 with regard to: (1) the status of settlement negotiations; and (2) whether it is necessary for the Court to enter a case management plan. After the Court's entry of a stay, PSG provided the payroll information sought by Wesco or indicated that it did not have it, and on September 24, 2018, the parties jointly requested that the stay be extended until today so that Plaintiffs could conduct their audit and the parties negotiate a final resolution of this matter. The Court so ordered that request on October 2, 2018.

Since September 24, 2018, the parties have continued their cooperation. In the course of conducting their audit, Plaintiffs have sought additional information from PSG



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regarding certain claims. PSG has responded to those requests by providing additional information. Plaintiffs are continuing to conduct their audit and have identified twelve additional claims for which they seek additional information. Plaintiffs submitted these additional requests to PSG today, and once they receive the requested information from PSG, Plaintiffs believe that they will be able to complete their audit promptly and provide PSG their calculation of the final premium amount. At that time, the parties hope to reach a final resolution of this matter.

In order to allow for completion of the audit and the parties' settlement discussions, without the cost and hindrance of discovery, counsel for the parties jointly request that the Court extend the stay of this action an additional seven weeks to January 14, 2019.

We thank the Court for its consideration, and we are available at the Court's convenience to address any questions or concerns.



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